

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Greece

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Greece Sugar 2011

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Sugar

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Report Highlights:

According to unofficial estimates, MY 2011/2012 sugar production, consumption, and trade is forecast to remain steady from the previous year. The Hellenic Sugar Industry (HSI) is the only sugar producer in Greece and one of the most significant agricultural industries of the country. Thus far, Greece does not produce bioethanol from sugar or other crops.

Sugar

Production, Consumption, and Trade

Table 1: Production, Supply and Demand (ha) (MT)

Sugar	2009	2010	2011
	Estimates 2009/2010	Estimates 2010/2011	Forecast 2011/2012
	Post Data	Post Data	Post Data
Area Harvested	21,600	21,600	21,600
Beet Sugar Production	186,964	186,790	186,800
Total Sugar Production	186,964	184,790	186,800
Raw Imports	248,000	230,000	234,000
Refined Imp. (Raw Val)	20,859	17,400	17,600
Total Imports	268,859	247,400	251,600
Total Supply	455,823	434,190	438,400
Raw Exports	118,508	104,000	106,000
Refined Exp. (Raw Val)	10,237	9,048	10,000
Total Exports	128,745	113,048	116,000
Human Dom. Consumption	327,078	321,142	322,400
Total Distribution	455,823	434,190	438,400

Source: Unofficial estimates + Global Trade Atlas

According to unofficial estimates, MY 2011/2012 sugar production is forecast to remain steady from the previous year. The main producing areas include the prefectures of Imathia and Serres in Macedonia; Evros and Xanthi in Thrace; Larissa in Thessaly. Greek sugar production is mainly destined to the confectionary, canning, and food processing industry. MY 2011/2012 sugar consumption is forecast to remain stable. Greece imports the majority of its sugar from Serbia, Belgium, and France. Bulgaria, Romania, and Cyprus continue to be the main destination for Greek sugar exports.

The Hellenic Sugar Industry

The Hellenic Sugar Industry (HSI) is the only sugar producer in Greece and one of the most significant agricultural industries of the country. HSI mainly produces and trades white crystal sugar and its by-products: molasses, sugar-beet pulp pellets, Nutrica 135, and fresh pulp. Specifically, molasses is a sugar by-product used as a raw material to produce alcohol, yeasts, and cattle feed. Sugar beet pulp pellets - prepared with dry pulp and molasses - are almost entirely used for cattle feed. Nutrica 135 - prepared with dry pulp and molasses, with the addition of trace elements and vitamins - is mainly used for fattening calves. Fresh pulp - prepared with a bigger content of water than the sugar beet pulp pellets - is used for cattle feed.

The Hellenic Sugar Industry under the new CAP

In MY 2006/2007, the EU launched a new CAP (Common Agricultural Policy) reform for the sugar sector, in order to ensure a long-term sustainable future for sugar production and enhance the competitiveness of the sector. Specifically, the reform cut by 36 percent the guaranteed minimum sugar price (from 631.9 €/MT in 2006/2007 to 404.4 €/MT in 2009/2010) and reduced domestic production quotas, providing compensations to growers and processors.

By implementing the CAP reform, Greece reduced its sugar quota by 50.1 percent from 317.502 MT to 158.702 MT. Consequently, the Hellenic Sugar Industry closed Larissa and Xanthi plants, receiving a compensation of €118 million.

Since May 2007, HSI has sought international investors providing capital to convert the sugar factories in Larissa and Xanthi into bioethanol production units, at an estimated cost of €200 million. HSI aimed at producing 300,000 cubic meters of bioethanol annually, in conformity with the European Commission Directive N. 2003/30 setting at 5.7 percent by the end of 2010 the share of energy from renewable sources consumed by the transport sector (set at 10 percent by 2020 - EU Renewable Energy Directive N. 2009/28).

To date, negotiations to convert the two plants in Larissa and Xanthi have not been successful, due to the current economic climate.

The PSD in this report only pertains to sugar as defined by HS 1701. It hence excludes sugar beet production destined for fermentation or other industrial purposes.

Conversion factors and methods used in this report:

MY = marketing year for sugar October- September

Raw cane sugar = 1,07 X Refined cane sugar

Raw beet sugar = 1,087 X White (refined) beet sugar